

THE FREE FOUNDATION

MAKING A WORLD WITHOUT SCARS A REALITY

THE ANNUAL REPORT & AUDITED ACCOUNTS

31 March 2023

Chairman of the Board of Trustees
Professor Sir Bruce Keogh

The Scar Free Foundation
The Royal College of Surgeons of England
38-43 Lincoln's Inn Fields
London WC2A 3PE

OUR VISION

A world without scarring

OUR MISSION

To achieve scar free healing within a generation and transform
the lives of those affected by scarring

REFERENCE AND ADMINISTRATIVE DETAILS

Status

The organisation is a charitable company limited by guarantee, incorporated on 25 August 1999 and registered as a charity on 17 December 1999.

Governing Documents

The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association.

Summary of Investment Powers

To invest and deal with any money not immediately required for its objects in or upon any investments, securities, or property.

Company Number

03831398

Charity Number

1078666

Registered office and operational address

38-43 Lincoln's Inn Fields, London, WC2A 3PE

Honorary Officers

Professor Sir Bruce Keogh (Chairman)

Mr Richard Collier (Honorary Treasurer)

Professor Peter Weissberg (Research Council Chairman)

Principal Staff

Mr Richard Nugee (Chief Executive)

Ms Amanda McKechnie (Head of Finance & Operations)

Charlotte Coates (Head of Research Funds)

Founding Principal Member of The Scar Free Foundation

British Association of Plastic Reconstructive and Aesthetic Surgeons (BAPRAS)

Principal Members of The Scar Free Foundation

British Association of Aesthetic Plastic Surgeons (BAAPS)

British Burn Association (BBA)

British Psychological Society (BPS)

British Society for Surgery of the Hand (BSSH)

Craniofacial Society of Great Britain & Ireland (CFSGB&I)

Patron

HRH, The Duchess of Edinburgh

President

The Lord Rose of Monewden

Vice Presidents

Dr Geraldine Brough
Professor Sir Kenneth Calman
The Rt Hon the Lord Patten of Barnes
Professor Sir John Temple
Mr Hugh Twiss

Board of Trustees

Professor Sir Bruce Keogh (Chairman)
Mr Richard Collier (Honorary Treasurer)
Professor Peter Weissberg (Research Council Chairman)
Mr David Allen
Ms Alison Clarke
Dr Hemani Modasia-Shah
Mr Timothy Streatfeild
Mrs Alexandra Thrower

Bankers

CAF Bank Ltd, 25 King's Hill Avenue, West Malling, Kent, ME19 4JQ
Clydesdale Bank, 2nd Floor, 35 Regent Street, London, SW1Y 4ND (closed in March 2023)
Santander, 4th Floor, 100 Ludgate Hill, London, EC4M 7NS (closed in December 2022)
Shawbrook Bank Limited, Lutea House, The Drive Great Warley, Essex, CM13 3BE (closed in April 2023)

Cash Management Platform

Flagstone Group Ltd, 1st Floor, Clareville House, 26-27 Oxendon Street, London, SW1Y 4EL

Investment Managers

Sarasin & Partners LLP, Juxon House, 100 St Paul's Churchyard, London, EC4M 8BU

Solicitors

Paris Smith LLP, Number 1 London Road, Southampton, SO15 2AE
Squire Patton Boggs (UK) LLP, 7 Devonshire Square, London, EC2M 4YH

Auditors

Buzzacott LLP, 130 Wood Street, London, EC2V 6DL

TRUSTEE'S REPORT

The Trustees present their report and the audited financial statements for the year ended 31 March 2023.

Reference and administrative information set out on pages three and four form part of this report. The financial statements comply with current statutory requirements, the Memorandum and Articles of Association, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102).

STRUCTURE, GOVERNANCE AND MANAGEMENT

The organisation is a charitable company limited by guarantee, incorporated on 25 August 1999 and registered as a charity on 17 December 1999. The company was established under a Memorandum of Association which sets out the objects and powers of the charitable company and it is governed under its Articles of Association.

Trustee Recruitment, Appointment and Induction

There are a maximum of 15 places on the Board of Trustees of which eight are currently filled, as at 18 July 2023.

On appointment, all Trustees undergo an induction consultation, usually with the Chief Executive and Head of Finance & Operations, where their responsibilities and duties as a Trustee are formally outlined and an update on current business is provided. Charity Commission materials are provided offering further information as well as all copies of relevant documents such as the Memorandum & Articles of Association, the Management Plan, the Staff Handbook, the Financial Controls & Procedures Manual, the Manual for the Management of Research and other strategy and policy documents.

Further development opportunities are offered at quarterly Trustees' meetings and have previously included training in major donor fundraising, marketing and communications, governance and charity regulation, and regular presentations by the charity's grant-holders about work funded by the charity.

Organisational structure

The Patron of The Scar Free Foundation is HRH The Duchess of Edinburgh. Lord Rose of Monewden is the President of the Foundation. Trustees are deeply grateful for the continued interest and support of all our Vice Presidents, the commitment and counsel of our President and the active, supportive engagement of our Patron. Although the Patron, President and Vice Presidents serve no constitutional function, their role is much valued.

To ensure a successful and sustainable organisation with a high-performing Board with a diverse set of skills, experience and backgrounds, every three years the Foundation conducts a comprehensive Skills, Diversity, Inclusion and Experience Audit, the most recent of which took place in September 2021. The SDI&E Audit observed in detail the Charity Governance Code,

which sets out the seven principles of good governance practice for charity trustees, and paid particular attention to the introduction of the new principle on equality, diversity and inclusion (EDI). The Board will continue to build on the key EDI principle throughout the organisation where possible and would like to note here our commitment to supporting diversity and encourage an inclusive culture throughout the entire organisation. In addition, the Foundation strives to embed the lived experience voice throughout the organisation – whilst ensuring involvement is meaningful and representative. The Foundation is fortunate to have a dedicated and passionate team of voluntary Ambassadors who either live with or are affected by scarring. Our Ambassadors offer advice by being on the Board of Trustees, Research Council, Research Advisory Panels, lend their voice and their experience to our communications and social media and help us to understand the research and treatment priorities of people who live with such conditions.

The Foundation takes care to comply with changes in workplace legislations and / or Government guidance. Enhanced procedures to ensure the Foundation is forward-thinking in all areas of our governance and encouraging a diverse and inclusive work culture have been embedded into the running of the charity. An enhanced maternity, paternity, and parental arrangements pay has also been adopted plus the continuation of flexible / agile working where the team not only feels supported by their peers and Trustees, but also when the Foundation recruits, encourages a diverse work culture.

Each April the Board of Trustees approves the Management Plan which is made up of three year and more specific one-year Corporate Objectives. The Management Plan includes the annual budget and reserves cash – flow. Trustees regularly assess and monitor the overall financial position of the Foundation and are able to recognise at an early stage where there is the potential for the Foundation to face financial difficulties. In February 2023 a three-year projection of income vs expenditure, alongside a prospect forecast and 10-year historical breakdown of giving was prepared. The retrospective and forward-looking review highlighted significant restricted and unrestricted areas of funding that require focus.

Research strategy is driven by the Research Council which currently meets twice a year and whose Chairman is currently a Trustee. The Scar Free Foundation Chief Scientific Adviser, Professor Paul Stewart, provides strategic research advice to the charity and is involved in the assessment of all new research awards. The day-to-day management of research activity is managed by expert ‘Advisory Panels’ reporting directly to the Board of Trustees through the Research Council Chairman. Financial and general management matters are overseen by the Finance & Operations Committee, which meets quarterly and is chaired by the Honorary Treasurer (also a Trustee). All decisions are made by the Board of Trustees guided by the recommendations made by these standing committees.

A Nominations Committee also meets when required, chaired by the Chairman and whose membership consists of the nominated Honorary Officers plus, where suitable the Chief Executive.

No Trustee receives, or has received during the year being reported, payments other than incidental expenses incurred for attending meetings.

In April 2023 the Chief Executive Brendan Eley, handed in his resignation. At the April Board of Trustee Meeting, Trustees discussed options where they unanimously agreed that due to the urgency in losing the Chief Executive in an already small staff team, Trustee Lt Gen (rtd) Richard

Nugee would assume the position of Chief Executive, having first resigned as a Trustee. The Charity Commission was contacted immediately to gain permission and approval. Following this, terms and conditions were drawn up by the Nominations Committee and agreed.

Richard Nugee accepted the offer of Chief Executive on 25 April 2023.

We would like to take the opportunity to express our heartfelt gratitude to Brendan for his unwavering commitment to The Scar Free Foundation. Over the course of the past 22 years, Brendan has played a vital role in spearheading a ground-breaking £50-million program of life-changing medical research. Remarkable achievements have been attained under Brendan's stewardship at the Foundation and we look forward to helping our new Chief Executive, Richard Nugee in propelling us closer to our ambitious vision of achieving scar-free healing within a single generation.

Key management personnel

The Trustees consider that they, together with the Chief Executive, Head of Finance & Operations, and the Head of Research Funds comprise the key management in charge of running the charity on a day-to-day basis. Trustees delegate specific power to the Chief Executive, which is documented and supervised. Each year, following internal staff appraisals and objective setting, staff meet one-to-one with the Foundation's retained Human Resources (HR) Consultant to discuss, confidentially, their work and aspirations with the charity. The HR Consultant, with the Chief Executive, provides a report and recommendation on salary levels for consideration by the Finance & Operations Committee who then make a recommendation to the Board of Trustees at their April meeting. This includes a market benchmarking exercise (comparing the salaries available for similar jobs in similar organisations) and a 'cost of living' recommendation based on, but not tied to, the Consumer Price Index. A similar report and recommendation is made in respect of the Chief Executive by the HR Consultant and presented to the Board by the Honorary Treasurer. The HR Consultant also conducts a mid-term review in September and is available to be contacted at any time by all members of staff. In addition, the Foundation conducts annual objective setting sessions with all members of staff, fostering a structured process to align individual goals with organisational objectives. Additionally, a mid-year appraisal is carried out to evaluate progress and provide valuable feedback to support continuous improvement.

OBJECTS AND AIMS OF THE CHARITY

The objects of The Scar Free Foundation are the relief of sickness and the protection and preservation of public health by:

- Carrying out and funding research into the improvement of treatments for the benefit of people who suffer from physical, psychological, social, or emotional disadvantage as a result of physical disfigurement or functional impairment present at birth or acquired through accident, disease, or illness and into the prevention of accidents which may cause such conditions; and
- Disseminating the useful results of such research and to help train health workers in appropriate treatments throughout the world; and
- Informing people about the availability of such treatments.

Trustees are pleased to report that they have referred to the Charity Commission's guidance on public benefit in their annual review of aims and objectives and in all future planning of the charity's activities. We believe these benefits – to a broad 'public' of people and their families affected by scarring, hard to heal wounds and disfiguring conditions both now and in the future – are clearly represented in our determination to deliver better understanding and improved treatments, through research. These benefits will be greatly enhanced through work supported by the Foundation, for example, in burns, cleft, conflict wounds research and our scientific pursuit of scar free healing, where the findings of our work could result in fewer incidents of serious accident or birth abnormality, as well as scar free outcomes.

The vision of The Scar Free Foundation is **A WORLD WITHOUT SCARRING**. The charity's mission is **TO ACHIEVE SCAR FREE HEALING WITHIN A GENERATION AND TRANSFORM THE LIVES OF THOSE AFFECTED BY DISFIGURING CONDITIONS**. Our aim is to fundraise in the most targeted and cost-effective way possible; to fund and manage research of the very highest quality in the UK and Ireland for the benefit of people and their families living with scarring; and to manage the charity in a business-like and professional way.

OBJECTIVES FOR THE YEAR

During the financial year 2022/23, the Foundation continued to focus on, and develop the strategic development of the charity. The activities of the charity in 2023/24 will remain focused on the accomplishment of key objectives across research, fundraising and financial management. These are:

Research

In 2023/24, the research programmes we develop will be focused on three key objectives subject to the availability of funds. We will work to:

- **Identify** the biological pathways which lead to scarring.
- **Change** these pathways to prevent or improve scarring.
- **Support** people living with scars.

To ensure these programmes are both patient and scientifically relevant, they will be developed with the assistance of people with a lived experience of scarring, along with expert clinical and scientific sources of advice and guidance.

We will also manage existing work and undertake an update of our research governance practices making sure they best support our current and future research endeavours.

Fundraising and Communications

We will embed our refreshed Case for Support based on our ambitious and innovative Research Strategy with the ultimate aim to raise the budgeted appeal target for the year.

The overarching aim for all communications is to support The Scar Free Foundation's mission of achieving scar free healing within a generation and transforming the lives of those affected by scarring.

Financial management and corporate governance

To support and develop high quality governance and administration processes that underpin the work and growth of the charity.

STRATEGIES

The strategies to achieve these objectives can be summarised as follows:

Research

- Develop and deliver the Form, Function and Feeling Programme
- Advance research at The Scar Free Foundation Centre for Conflict Wound Research
- Establish 'The Scar Free Healing Research Network'
- Develop and implement the Scar Free Foundation Programme of Regenerative Research
- Collaborate with the lifeTIME Centre for Doctoral Research
- Explore opportunities to expand the Foundations presence and impact in international wound healing, in particular around Conflict Wound.

Fundraising and Communications

- Finalise and implement the Case for Support and Fundraising Strategy and supporting materials, in conjunction with the Research Strategy
- Recruit and build a Development Board to drive networked fundraising activity
- Increase media coverage and enhance donor engagement
- Consistently grow social media followers across all platforms
- Raise the budgeted appeal target for the year.

Financial management and corporate governance

- Maintain, develop and support The Scar Free Foundation's Honorary Management structure, Principal Member Organisations, and all volunteers, Ambassadors and stakeholders
- Amend the Charitable objective to reflect the important, and crucial research into conflict wound and trauma-related incidents, whilst maintaining our commitment to focus on the impact of scarring
- Maintain and review effective financial control processes, including The Scar Free Foundation's policies on investment and reserves
- Ensure a smooth transition for the new Chief Executive
- Support, develop and retain the right mix of people, processes and premises to ensure the right foundations are available to build on plans for the year and beyond.

ACHIEVEMENTS AND PERFORMANCE

This past year has been quite challenging for the Foundation, and unfortunately, our post-Covid recovery fell short of our initial expectations. The coronavirus pandemic continued to disrupt Scar Free activities in particular with delays to projects and programmes, and we remain enormously grateful to those funders who have appreciated that pre-coronavirus plans continue to change and have demonstrated much welcomed flexibility in the use and timetabling of their funding.

The Foundation's ability to meet our fundraising target was primarily due to the remarkable income generated from the MRC and BEIS who, due to the impact that the pandemic had on AMRC charities, provided an opportunity to secure additional funding to support our early-career researchers. However, when it comes to conventional charity fundraising endeavours and outcomes, it is evident that we are experiencing a deficit. In order to ensure our financial stability in the upcoming fiscal year, it is imperative that we redouble our efforts and work towards rebuilding our fundraising endeavours. Future plans and objectives reinforce our commitment to building on our Case for Support based on our ambitious research strategy. We end the financial year remaining hopeful our research projects can emerge positively and continue to make good progress.

Research

In November 2022, our formal governance of the Cleft Collective came to an end, when the team commenced the Written Agreement with their new main funder, the Underwood Trust. The Cleft Collective, which investigates the biological and environmental causes of cleft, the best treatments for cleft and the impact of cleft on those affected and their families, was established by the Foundation over ten years ago and became one of the Foundation's most successful research endeavours ever. In the past year, the team exceeded their target recruitment of 10,000 participants, a remarkable accomplishment that required considerable effort and dedication. This milestone would not have been possible without the strong working relationships the team fostered with the 16 NHS cleft teams across the UK. Their agility in responding to recruitment issues such as the COVID-19 pandemic and research nurse shortages has resulted in the development of the world's largest Cleft Gene Bank and Cohort Study, which includes genetic, clinical, and self-reported data. This data is available to researchers worldwide, making it a unique and valuable resource for those seeking to increase evidence-based knowledge about cleft lip and palate.

The team has undertaken several sub-studies including a speech and language study which aims to learn more about what helps children who were born with a cleft palate to develop speech which is easy to understand by collecting data on children's babbling patterns and interaction patterns using a specially designed recording device. A wide range of researchers have already utilized Cleft Collective data. This work includes a wealth of psychological research and a notable paper which debunked previously held theories about cleft and educational attainment. In 2018, the Foundation provided additional funding to the team to genotype the Cleft Collective to enable researchers to gain a better understanding of the genetic factors contributing to cleft. This work has now been completed and will further enhance the resources available.

We would like to extend our heartfelt thanks to the Cleft Collective team led by Professor Jonathan Sandy and Dr Yvonne Wren. Their hard work, dedication and enthusiasm has been fundamental to the success of the Cleft Collective. We would also like to thank the Cleft Collective Advisory Panel who were instrumental to the success of the study. We are indebted to them for the sound advice and guidance they have provided to both the Foundation and the research team. The Cleft Collective Advisory Panel was Chaired by Dr Tim Peakman OBE and comprised Dr Liz Albery, Professor Heather Cordell, Dr Louise Dalton, Mrs Ana Hobbs, Ms Sarah Kilcoyne and Ms Rona Slator.

We look forward to sharing the outputs of this study on receipt of the team's final report and wish them all the very best for the future.

In the reporting year, Mr Martin Mace, the Foundation's Electives Advisor, demitted from his role. Mr Mace, a former member of the Board of Trustees had acted as Electives Adviser since 2018. We are extremely grateful to Mr Mace for the advice and guidance he provided in respect of the Electives applications and final reports which was always practical, measured, thoughtful and extremely useful.

Some notable achievements in 2022/23 have included the publication of our updated research strategy and, in collaboration with our Principal Member Organisations, the BBA, BAPRAS, BSSH and CFSGB&I and our first call for student Elective applications since the pandemic.

In September 2022, one of the Foundation's most inspirational researchers, Professor Amber Young, sadly passed away. Amber had been associated with the Foundation for over 10 years, first as the clinical lead of The Scar Free Foundation Children's Burns Centre at the Universities of Bristol, Bath and Cardiff and later as the principal investigator of two of the burns projects in our UK Burns Research Network. We extend our heartfelt condolences to Amber's family and friends.

The Foundation staff and Board of Trustees are indebted to our researchers for their hard work and focus over the last 12-months. Although some work is delayed due to the COVID-19 pandemic our researchers' dedication and tenacity has meant that disruptions have been minimised as much as possible.

Fundraising

In-person fundraising proved challenging for the first half of 2022/23, due the delays and hesitancy with venues reopening following lockdown plus increased pressure on staff due to absences. The Foundation maintained relationships with donors, supporters and stakeholders through tailored communications and reports, our quarterly Newsletter and a noteworthy increase in our engagement across various social media platforms which include Twitter, Instagram, Facebook, TikTok and LinkedIn.

For the second half of 2022/23 the Foundation was delighted to run significant events for stakeholders and donors where we were able to demonstrate the compelling research that is taking place, the value of our mission and the urgency and need for additional funding. We were proud and honoured to run events at the Royal College of Surgeons and the Ministry of Defence with guests that included HRH, The Duchess of Edinburgh, researchers, clinicians, donors, stakeholders and Ambassadors.

Looking forward, in 2023/24 we are developing a calendar of promising meetings and events, as we work to re-engage wider networks through a qualified and passionate Development Board. We also maintained and developed our engagement with valued Trusts and Foundation supporters, and secured new sources of income.

Management and governance

Staff have continued to work effectively from both home and, since relocating to the redeveloped Royal College of Surgeons, the office. Since January 2022 staff have each worked at least one in-person day in the office per week, and we continue to have at least one remote team meeting per week. Trustee, Research Council and Finance & Operations Committee meetings are now conducted effectively through a hybrid format.

We know that there will be enormous challenges ahead for the charity but we are looking forward to the continuation of near-normal activities during the year. The Foundation finds its self in an acceptable financial position; we remain blessed with high quality volunteer support throughout our honorary management structures; our small but expert and experienced staff team remain focused and committed to tasks in hand; we have an exciting, broad and innovative programme of research underway with a refreshed research strategy, and importantly we have the support of our Ambassadors – those with a lived experience of scarring. Their compelling and inspirational stories underpin our scar free pursuit; the experiences of those living with scars lie at the very heart of all that we do. As we reported last year, our focus has never changed. There are more than 20 million people living with scarring in the UK today and the needs of people affected by scarring conditions – lost function, reduced mobility, psychological challenges – remain the same throughout and beyond the COVID-19 crisis. We are now rebuilding our activities, introducing a refreshed research strategy and case for support, in order to maintain and develop our single-minded focus on the pursuit of scar free healing within a generation.

RESEARCH PROJECTS

The year 2022/23 has seen progress across the Foundation's key areas of research.

THE SCAR FREE FOUNDATION PROGRAMME OF WOUND HEALING RESEARCH

The Scar Free Foundation Programme of Wound Healing Research at the University of Bristol combines Bristol's established expertise in wound healing biology and population-based cohort studies of human disease, in order to identify scar associated genes.

The programme is built upon the tenet that comparative biology/genetics approaches may provide new insights into how wound healing leads to scarring, and so provide targets for anti-scarring therapies. The projects use population health approaches to identify variation in genes associated with scarring from; cohorts of patients with a standardised pre-existing lesion e.g. BCG vaccination scar or caesarean scar; emerging findings from parallel cohort studies of patients with internal fibrosis/scarring, and genes known to be associated with cleft lip in patients because of parallels between embryonic morphogenetic mechanisms and the tissue repair process.

The five-year programme comprises the following projects:

Using Large Cohort Studies to Identify Genetic Variants For Mechanistic Testing In Mouse And Zebrafish Models of Wound Healing. Professor Paul Martin, Professor Nic Timpson.

Integrating Human and Animal Studies to Investigate Known Cleaving Genes Linked to Wound Healing. Dr Beck Richardson

Overview

Since work commenced on the programme in October 2020, the team has been making good progress. In the reporting year, recruitment of the three Post-Doctoral Researcher posts supported by the Foundation has been completed. Dr Oscar Pena Cabello, Dr Kevin Thiessen and Dr Samuel Nieves have established themselves well within the team and are moving their respective projects forward successfully. The team submitted their second annual report in October 2022. The report was reviewed by Professor Paul Stewart and recommended to the Board of Trustees. Professor Stewart also undertook a site visit to the programme in November 2022.

Research summary

In the past year, Dr Oscar Peña Cabello has used CRISPR technology to generate three groups of LGR4 mutant fish. Mutants of groups one and two are expected to encode truncated versions of LGR4 protein and exhibit loss of function. Mutations in group two should affect only one of the splice variants of LGR4 while mutations in group one is expected to affect both known splice variants. The team has germline heterozygous mutants for one and two. The third group of mutants is expected to encode the extracellular domains of protein, which is expected to exhibit dominant loss of function. From these groups of mutants, Dr Peña Cabello has identified one germline mutation predicted to encode a truncated version of LGR4 protein and is carrying out the first characterization of these LGR4 mutants. Preliminary experiments show that fish carrying this mutant allele have normal morphology and display normal numbers of myeloid cells.

Dr Samuel Nieves's work is focussed on three core activities; using more data to build on a previous study about the LGR4 gene, collecting new data from women who have caesarean section from a Brazilian cohort to help with genetic analysis and engaging with other researchers who have been studying lung fibrosis to share information about genes that may be involved in scarring. All of these projects aim to find out more about how genes contribute to scarring and could help develop new treatments in the future.

Dr Kevin Thiessen's activities are focussed on four genes that are related to cleft lip and how severe scarring can be. The four genes are IRF6, TGFB3, ARHGAP29, and GRHL3. They are important for the development of our faces, especially for people with cleft lip. Researchers think that these genes work together and affect how our body heals wounds and scars. Dr Thiessen is studying zebrafish to understand a genetic condition called Van der Woude syndrome, which affects humans. He is specifically looking at a mutated gene called IRF6, which is linked to the syndrome. Dr Thiessen has found that zebrafish with this mutation have thicker skin than normal zebrafish, similar to what is seen in humans with the syndrome. He is now working to understand how the IRF4 gene works in order to understand more about the genetic condition."

Tim Byatt, the PhD Fellow, is studying how wounds heal and how scars form in zebrafish. He is looking at proteins that are produced in the fish after a wound and comparing them to proteins produced in fish with skin cancer. He is also comparing the fish's wound-healing proteins to those in a plant called Arabidopsis to find ancient healing pathways. Tim has found that there are 841 proteins produced one hour after a wound and 1625 proteins produced 48 hours after a wound. 279 of these proteins are produced at both time points.

Governance

Professor Paul Stewart the Foundation's Chief Scientific Adviser oversees the work of the programme. This includes making site visits, assessing the team's annual report and making a recommendation to the Board of Trustees as to whether they should be accepted.

THE SCAR FREE FOUNDATION/HEALTH AND CARE RESEARCH WALES PROGRAMME OF REGENERATIVE MEDICINE

Overview

The Scar Free Foundation/Health and Care Research Wales Programme of Regenerative Medicine is a partnership between Reconstructive Surgery & Regenerative Medicine at Swansea University

Medical School and the Welsh Centre for Burns & Plastic Surgery. The primary focus of the programme is the development and translation of the team's novel techniques for 3D printing of soft tissue – initially cartilage – for use in facial reconstructive surgery. In addition, the team is developing existing collaborations and research in 'big data' and health informatics to gain a comprehensive understanding of the prevalence, aetiology, impact (both psychological and physical), and outcomes of facial scarring in Wales.

The team's second Annual Report was submitted in December 2022. The report was reviewed by the Foundation's Chief Scientific Adviser, Professor Paul Stewart, who recommended the report to the Board of Trustees. Due to delays caused by the pandemic and recruitment, the team have been given a no-cost extension, meaning that the bulk of work at the programme will now continue until November 2024.

This programme comprises the following projects:

3D BIOFACE - *3D Bioprinting Facial Cartilage Using Human Cartilage Specific Stem/Progenitor Cells and Nanocellulose Bioinks for Facial Reconstruction.*

AFFECT - *Assessing the Burden of Facial Scarring and Associated Mental Health Conditions to Identify Patients at Greatest Risk.*

In addition, the Foundation manages the project; **RESECT: Recommendations for service redesign in skin cancer management**, on behalf of Health and Care Research Wales.

Research Summary

In the reporting year, the team have been progressing the various workstreams under the 3D Bioface project. These include isolating chondroprogenitor cells from nasoseptal cartilage using fibronectin adherence, testing the sterility of wood-pulp derived nanocellulose, in vitro immunogenicity and biodegradability testing of nanocellulose, characterising the three variants of tunicate-derived nanocellulose and assessing its strength, biocompatibility and printability. A PhD, *Development of a Novel Composite Bioink for Cartilage Tissue Engineering*, emanating from the programme was awarded to Tom Jovic in October 2022. The aim of this thesis was to develop a novel natural composite biomaterial formulated with wood pulp-derived nanocellulose crystal, fibril and blend variants to bioprint with cartilage-derived cells for use in facial reconstruction. The team made a number of publications on Bioface in the reporting year including *Preoperative Imaging of Costal Cartilage to Aid Reconstructive Head and Neck Surgery: A Systematic Review* in the *Annals of Plastic Surgery*. In addition, the team gave seven presentations at the EURAPS 2022 and BAPRAS Congress conferences.

A key component of the Resect project was the recruitment of two PhD candidates to work alongside the research team in Work Package 1: Big data relevant to skin cancer and Work Package 2: Patient Reported Outcome Measures (PROMs) and Patient Reported Experience Measures (PREMs). In December 2021, Huda Abd and Amy Richards were appointed to Work Packages 1 and 2 respectively. Ms Abd enrolled in January 2022 on a full-time basis, Ms Richards enrolled in April 2022 initially on a part-time basis for year one with the intention of converting to full time in year two. Matthew Jovic, who is the data analyst and research assistant for the RESECT and AFFECT projects, began a part time MSc by Research, *Assessing the clinical and economic impact of facial basal cell skin cancers*, in April 2022.

AFFECT will conclude in November 2023. The study looked at the association of anxiety disorders and depression with facial scarring and used data from the SAIL Databank on anonymised Welsh patient data.

The study, which is the world's largest of its type, found that:

- People who have facial scars suffer a heavy burden of anxiety and depression compared to the wider population.
- The incidence of anxiety and depression is highest in people whose facial scar came from self-harming.
- The higher their level of deprivation, the greater the risk.
- People with a previous diagnosis of anxiety or depression up to one year before the scar have an increased risk.
- Women are at greater risk than men.

Governance

The programme is overseen by the Professor Paul Stewart. This includes making site visits, assessing the team's annual report and making a recommendation to the Board of Trustees as to whether they should be accepted.

THE SCAR FREE FOUNDATION CENTRE FOR CONFLICT WOUND RESEARCH

The aim of the Centre is to reduce and eventually eradicate the impact of scarring and related loss of function amongst Armed Forces personnel, who sustain critical injuries during their deployment, as well as civilians injured in conflict or terrorism incidents. It is achieving this by supporting a programme of biological and clinical research. The main funder of the Centre for Conflict Wound Research is HM Government, with support from the LIBOR fines fund.

Since the Centre was formally opened by HRH The Duchess of Edinburgh in November 2018, work has been underway on the following projects:

DeSCAR: First in human clinical trial of a bioactive dressing designed to prevent scarring of skin burns, Professor Liam Grover, University Hospitals Birmingham NHS Foundation Trust/University of Birmingham.

DeSCAR is a first-in-human clinical trial of a new battle-ready dressing that actively prevents scar formation. Containing the naturally occurring protein Decorin, the dressing is being developed for ease-of-use in austere conflict and humanitarian environments

SMOOTH: A prospective randomised controlled trial to examine the efficacy and mechanistic basis of fractional ablative carbon dioxide laser therapy in treating hypertrophic scarring, Professor Naïem Moïemen, Professor Janet Lord, University Hospitals Birmingham NHS Foundation Trust/University of Birmingham.

SMOOTH involves civilians and military veterans with scars that are over a year old recruited from Burns Centres in Birmingham and Swansea. The study is assessing the effectiveness of laser therapy to breakdown scar tissue from burn and blast injuries and restore lost function.

In 2020, additional funding was awarded to the Centre to support the pilot project; ***Does major trauma accelerate the ageing process, and can it be alleviated by physical activity?*** Professor Janet Lord, Scar Free Foundation Centre for Conflict Wound Research, Birmingham.

The Veteran Aging project is analysing biological age, via DNA methylation analysis, in 150 injured and uninjured veterans from the Afghanistan conflict who are participants in the ADVANCE (Armed SerVices TrAuma Rehabilitation OutCome) cohort study. Survivors of a major injury, such as that experienced in conflict by the military or a road traffic accident in civilian life, have shortened lifespans. The amount of exercise a person does can influence how quickly they age. The injured group have been split into two, those who have a high fitness level as tested in their regular check-up, (which suggests that they are exercising regularly) and those with lower fitness. These drugs could improve outcomes for survivors of trauma.

Research Summary

To enable the commencement of clinical recruitment on the DeSCAR project, much of the team's focus in the past 12 months, has been on the compilation and submission of the Investigational Medicinal Product Dossier and regulatory package to the Medicines Healthcare Regulatory Authority (MHRA). The package was submitted on 9 January 2023. Once regulatory approval is given by the MHRA, it is hoped that recruitment to the study can begin in June 2023. The DeSCAR study is running with major delays currently. The research team has worked hard to overcome these delays and has sought expert external guidance to navigate the complexity of the regulatory requirements.

In the Birmingham arm of the study, a total of 29 (target n=60) participants have been recruited to the SMOOTH trial, with each at various stages of completion. 18 patients have completed the full trial. All participants have had their baseline assessments, and 25, 22 and 18 participants have had their first, second and third laser treatments respectively. The study is yet to open in Swansea. The team has been supporting researchers at the Swansea site and it is hoped that work will be able to get underway in the 2nd quarter of 2023-2024. In Birmingham the team is planning to recruit an additional 15 patients from the original Swansea allocation to mitigate against delays to the project.

During the reporting year, Dr Jack Sullivan, the Post Doctoral Researcher working on the Veteran Aging Project received the proteomics analysis of the ADVANCE study samples which allowed him to select the 150 veterans whose samples would be analysed. The samples were then sent for DNA methylation analysis. Preliminary analysis has been completed. The study completed in May 2023. The Foundation will liaise with the researchers regarding the dissemination of the results of the study on receipt of the team's final report.

Governance of The Scar Free Foundation Centre for Conflict Wound Research

In the reporting year, Lt General Richard Nugee acted as the Foundation's Conflict Wound Adviser. His role involved reviewing external expert peer review of the team's annual report and making a recommendation to the Board of Trustees as to whether the annual report should be accepted. In the upcoming year, a new Adviser will be sought as Lt General Nugee has demitted from this role following his appointment as Chief Executive.

THE UK BURNS RESEARCH NETWORK SUPPORTED BY THE VTCT FOUNDATION

The Foundation established the UK Burns Research Network in 2018. The 'Network' is a collaborative, coordinated programme of burns research aimed at delivering tangible care and treatment benefits to those encountering serious thermal injuries, and supporting longer term research aspirations as laid out in the Scar Free Research Strategy. It addresses a series of research priorities drawn from our research strategy and identified as short and medium-term funding imperatives by attendees at the Scar Free Symposium, *Scar Free Healing: Clinical Needs and Practice*, which was held in London in 2017.

Four projects were funded, three of which have successfully completed. The remaining project is entitled; ***BOSS: Development of a multicentre cohort of burn injury patients – a feasibility study and a prospective study to examine the validity of a panel of objective burn scar measurement tools.*** Professor Naïem Moïemen, University Hospitals Birmingham NHS Foundation Trust.

Following significant advances in medical science, patients with burns that involve as much as 95% of their total body surface area, can now survive. Unfortunately, research into scarring does not match the improvement in survival following burn injury, and the quality of studies that have been conducted were hindered by a lack of validated, objective tools used to grade scars. The subjective tools that were used are prone to individual clinician bias, hence findings are not consistent. The aim of this project is to assess a group of patients from the time of their injury to the time of wound healing and for two years afterwards. The team are measuring their scars with a range of objective scar measuring tools that have been shown to work in a previous smaller study alongside subjective questionnaires that look at how the patients view their own scars, and the effect these scars have on their quality of life.

Research Summary

The study opened to recruitment in March 2022 after a very long delay largely due to the pandemic and redeployment of the research team to frontline acute care of Covid patients at Queen Elizabeth Hospital. 19 patients have been recruited in Birmingham against a target of 60 across three sites: Birmingham, Swansea and Chelmsford. Recruitment in Chelmsford opened in May 2023, and it is hoped that recruitment will commence in Swansea shortly. To prevent further delays the team will over recruit in Birmingham which will shorten the remaining recruitment time and support the other two sites. The team is also working with the Research First Team (part of Birmingham Health Partners, University of Birmingham, to support the Swansea and Chelmsford sites to expedite study set up and clear the necessary logistical hurdles. The team will endeavour to push recruitment (once all sites are open) aiming to have recruited all 60 patients by November 2023.

The primary objective is to investigate the accuracy of the objective global scar scale in differentiating hypertrophic scars at different stages of scar remodelling until maturation. The secondary objectives are to assess the acceptability of the global scar score with clinicians and patients. In addition, the study aims to correlate objective scar assessment tools with subjective measures, and the long-term scar outcome with early biological markers from the same patients early after their injury. In order to adequately assess the validate the objective scar assessment tool, the study subjects are examined at 5 time points over 24 months. Due to the length of follow up, the revised end date of this project is December 2025.

Governance for The UK Burns Research Network Advisory Panel

The Foundation has established an Advisory Panel to advise on the prioritisation, funding and management of research projects in the Burns Network. The Chairman is Professor Folke Sjoberg, Professor of Burn Surgery and Critical Care at Linköping University, Sweden. We would like to extend our thanks to Professor Folke Sjoberg for his guidance of burns research projects. Membership is composed of UK and European clinicians and academics working in burn care and treatment, and 'lived experience' volunteers. In the reporting year the Panel worked virtually to review final reports and updates.

The Burns Research Network Advisory Panel comprises:

- Dr Sophie Dix, VP of Content, Koa Health, lived experience of burns.
- Professor Peter Dziewulski, Consultant Burns and Plastic Surgeon.
- Mr John Gibson, Plastic Surgery Trainee and Clinical Lecturer in Reconstructive Surgery and Regenerative Medicine, Swansea University and Morriston Hospital Swansea. Lived experience of burns.
- Professor Esther Middelkoop, Burns and Wound Healing Scientist, VUMC Medical Centre, Amsterdam, the Netherlands.
- Professor Mamta Shah, Consultant Burns and Plastic Surgeon, Royal Manchester Children's Hospital, Wythenshawe Hospital and the University of Manchester.
- Dr Lisa Williams, Consultant Clinical Psychologist, Chelsea and Westminster Hospital, London.

We are extremely grateful to the Advisory Panel for their advice and guidance during the reporting year.

THE BSSH CENTRE FOR EVIDENCE-BASED HAND SURGERY RESEARCH AT THE UNIVERSITY OF NOTTINGHAM

Work commenced in Nottingham in 2014. Miss Alexia Karantana is on a no-cost extension until 2024. The bulk of the work is now completed.

THE SCAR FREE FOUNDATION ELECTIVE AWARDS

The Foundation continues to support young surgeons through the Medical Elective Awards, which have been running for 19 years. This year's awards were reviewed by the Electives Adviser and members of the Research Council.

The following projects were funded:

Ahmed Turkman, a final year medical student from Imperial College London, was awarded a BAPRAS/Scar Free Foundation Elective to undertake the project, *Assessing the printability of nanocellulose composite bioinks for the 3D printing of facial cartilage*. Mr Turkman was supervised by Mr Tom Jovic at The Scar Free Foundation and Health and Care Research Wales Programme of Regenerative Medicine at Swansea University.

Anam Asad, a 5th year medical student from the University of Leicester, received a BBA/Scar Free Foundation Elective to undertake the project, *Investigating hypothermia as a prognostic factor in survivability of individuals suffering from large acute burns: a retrospective review*, at Wythenshawe Hospital, Manchester. Miss Asad was supervised by Mr Adam Reid.

Matthew Wilcox, a final year medical student from University College London received a BSSH/Scar Free Foundation Elective to undertake the project, *BANTER – Blood biomarker Assessment of Nerve Trauma and Early Reinnervation*, at the Royal National Orthopaedic Hospital, London. Mr Wilcox was supervised by Mr Tom Quick.

All the projects were successfully completed. We would like to thank our Principal Member Organisations the BBA, BAPRAS, and the BSSH for their co-funding of the Elective Awards.

DELIVERING THE SCAR FREE STRATEGY

In September 2022, The Foundation released its refreshed, web only, research strategy. The refreshed strategy was developed with the assistance of Scar Free Foundation Ambassadors, clinicians and scientists. The revised strategy articulates the Foundation's research aims as three strategic questions:

- **What is a scar?** This theme is centred on the development of our understanding of the 'science of scarring' i.e., the biological processes which underpin the healing process and lead to scarring.
- **How do you prevent scarring?** This theme is centred on research into the best treatments to ensure wounds heal with minimal or no scarring.
- **How do you live with scarring?** This theme is centred on research into long term patient care and increasing the understanding of how clinicians can best support patients affected by scarring.

The strategy website is available to view [here](#).

A research funding plan has been developed to enable the Foundation to address the strategic questions.

Subject to the availability of funds, there will be three key areas of focus:

- A Discovery Science Programme
- Two Clinical Research Programmes
- The Form, Function and Feeling Programme

THE MANAGEMENT OF RESEARCH

Research is the core business of The Scar Free Foundation. The Foundation has policies for the management of research, which comply with the guidelines set by the Association of Medical Research Charities (AMRC). They include:

- The structure to manage the process, which is provided by Advisory Panels, the Research Council, Chief Scientific Adviser and the Board of Trustees.
- The arrangements for the development, review and maintenance of our research strategy.
- The provision of open and fair arrangements for the application and selection process for funding research projects, including the essential requirement of independent peer review by appropriately qualified professionals.
- The Foundation's Written Agreement and Terms and Conditions for the award of grants.
- The arrangements to identify and manage potential conflicts of interests.

Research Council

The Research Council is established under the leadership of the Research Council Chairman, who is also a Trustee, to advise the Board of Trustees on the implementation and development of the Scar Free Strategy, which outlines the broad research objectives of the charity.

The objectives of the Research Council are:

- To advise the Board of Trustees on the pursuit of the broad strategic research goals of the charity as articulated in the Scar Free Strategy.
- To ensure that Scar Free Foundation research activity is undertaken in line with all legal and best practice guidance.

The main tasks of the Research Council are:

- To maintain a strategic oversight of the Scar Free Strategy and identify the gaps in the research strategy that should be addressed in the Foundation's research programme.
- To horizon scan the global scarring and wound healing research landscape and identify emerging research technologies and potential research leaders with whom the Foundation should interact in the UK and overseas.
- To maintain an awareness of the relevance of the Scar Free Strategy in a changing clinical and scientific landscape and ensure the involvement of patients and the public in the delivery of the strategy and the setting of priority areas.

Research Council members normally serve on Council for three-years, although the Board may extend the appointment for a second term. No member serves longer than six years on the Council.

As at 18 July 2023, membership of the Scar Free Foundation Research Council is as follows:

- Chair, Professor Peter Weissberg, Research Council Chairman and Trustee.
- Mr Manaf Khatib, Consultant Plastic Surgeon, East and North Hertfordshire, NHS Trust. Representative of the British Association of Aesthetic Surgeons.
- Professor Andrew Hart, Consultant Plastic and Hand Surgeon, Canniesburn Plastic Surgery Unit, Glasgow Royal Infirmary. Representative of the British Association of Plastic, Reconstructive and Aesthetic Surgeons.
- Professor Joseph Hardwicke, Consultant Plastic and Reconstructive Surgeon, University Hospitals of Coventry and Warwickshire.
- Mr Adam Reid, Academic Consultant Plastic Surgeon, University Hospital South Manchester. Representative of the British Association of Plastic, Reconstructive and Aesthetic Surgeons.
- Mr Simon Booth, Senior Burn Research Nurse, Queen Victoria Hospital, East Grinstead, Representative of the British Burn Association.
- Mr Bruce Richard, Consultant Plastic and Cleft Lip and Palate Surgeon, Birmingham Women's and Children's Hospital NHS Foundation Trust. Representative of the Craniofacial Society of Great Britain and Ireland.
- Miss Alexia Karantana, Consultant Orthopaedic Surgeon in Hand Surgery at Queens Medical Centre, Nottingham. Representative of the British Society for Surgery of the Hand.
- Mrs Rachel McDermott, Invited Member, Lived experience of scarring.
- Dr Yvonne Wren, Invited Member, Allied Health Professional, Director of Bristol Speech and Language Therapy Research Unit.
- Dr Jaco Nel, Invited Member, Lived experience of scarring.
- Professor David Abraham, Invited Member, Professor of Cell and Molecular Biology, University College London.

- Professor Jane Nixon, Invited Member, Deputy Director of the Clinical Trials Research Unit, University of Leeds.

Trustees would like to extend our sincere gratitude to Research Council members for their counsel and support over the past year.

Chief Scientific Adviser

The role of Chief Scientific Adviser was established in 2018 to assist in the assessment of new work and the broader pursuit of the Scar Free Strategy and is fulfilled by Professor Paul Stewart, Professor of Medicine & Health Policy Advisor to the Vice Chancellor at the University of Leeds. Over the past 12 months the thoughtful and pragmatic advice and guidance provided to the Foundation by Professor Stewart has been invaluable. We extend our thanks to him for all his assistance.

The primary objectives of the Chief Scientific Adviser are:

- To receive and review independent reviews (expert, patient and public) of Scar Free Foundation Centre Award submissions.
- To evaluate and summarise reviewers' comments and where necessary, recommend clarifications or amends, for return and response by the applicant University/host.
- To make a funding recommendation to the Research Council Chairman, for onward consideration by the Board of Trustees.
- During the lifetime of a grant, to receive and review reports from the relevant research programmes and recommend on progress to the Board of Trustees.

The Application and Selection Process

As a member of The Association of Medical Research Charities (AMRC), the Foundation is committed to an open, independent and professionally administered peer review and selection process. Research priorities, recommended by the Research Council, are approved by the Board. When funding becomes available for a project, the Foundation will aim to undertake an open research call. An 'application pack' is drawn up and approved by the Research Council Chairman with advice from the Chief Scientific Adviser. At the same time, an application and selection timetable is agreed and the project is advertised as widely as possible within the relevant research community. In preparation, a suitably qualified Assessment Panel is assembled, often of international standing, if the area of work so demands.

After the closing date for applications, submissions will be sent for external peer review. If the Foundation receives a large number of applications, the Chief Scientific Adviser, Research Chairman and/or Assessment Panel will triage applications to eliminate any proposals which fall outside the Foundation's charitable objects and/or endorsed areas of interest.

Following assessment by External Peer Reviewers, the subsequent "long list" of candidate applications is then considered by the Chief Scientific Adviser and Research Council Chairman who consider the scientific and strategic relevance of each application. Where appropriate, an interview panel and/or site visit is undertaken. Suitable safeguards have also been made to ensure impartiality, through the rotation of the Research Council Chairman, Chief Scientific Adviser and Peer Reviewers, and no member takes part in the review of projects where a potential conflict of interest exists.

For major awards, following discussion and consideration of the peer review assessments by the Chief Scientific Adviser, Research Council Chairman and/or Assessment Panel, a recommendation for funding is made to the Board of Trustees by the Research Council Chairman. The Board of Trustees then approve an award for research, subject to funding and the Foundation's established Rules and Conditions.

Ensuring Value in Research

In 2017, The Scar Free Foundation joined The Ensuring Value in Research (EViR) International Funders' Collaboration and Development Forum. A joint initiative by the health research organisations NIHR (UK), PCORI (USA) and ZonMW (Netherlands), the Forum is a group of international health related research funders and associated bodies, committed to advancing the practices of health-related research funding. As a member of the Forum, the Foundation has signed the following 'Consensus Statement';

"As organisations that fund health-related research, represent funders, or set funding policy, we believe that we have a responsibility not just to seek to advance knowledge, but also to advance the practices of health-related research and research funding. Therefore, we commit to working together and with our respective research communities to share current and develop new approaches to increase the value of health-related research. We commit to transparency in this process, including evaluating our progress and the impact of our efforts. This will contribute to improvement in the health and lives of all peoples, everywhere.

Along with other relevant activity in the wider research landscape (e.g., the REWARD statement), we understand that as funders we will maximise the value of research we fund when:

- We set justifiable research priorities;
- We require robust research design, conduct and analysis;
- We seek to ensure that research regulation and management are proportionate to risks;
- We seek to ensure that complete information on research methods and findings from studies is accessible and usable.

Increasing value will require collaborative efforts among funders, regulators, commercial organisations, publishers, editors, researchers, research organisations, research users and others.

The Foundation also subscribes to the pursuit of the '10 Guiding Principles' of the Funders' Forum which are now published on the Foundation's website. These principles, each geared to ensuring that the best possible value for money is achieved from all our research spend, are already guiding our strategic, grant selection and award process. This year the organisation adopted a subscription model membership for full members. The Foundation has become a full member of the Forum to enable us to gain access to the community of practice for queries or discussions and Forum materials and networking opportunities.

FUNDRAISING & COMMUNICATIONS

The pandemic and shortage of fundraising staff has inevitably delayed the process of rebuilding our Development Board and revitalising related fundraising activities with High Net Worth networks. We therefore worked to maintain our strong connection with existing supporters, new audiences, and in particular with Trusts and Foundations. Despite the challenges, income was secured as forecasted at £1,252,740 compared to £1,090,637 the previous year.

Major grants were secured from the Medical Research Council Early Career Researcher Support Fund and the CHEAR Foundation among others.

A huge thank you must also be extended to our Ambassadors; Karl Hinett, Kish Modasia, Jaco Nel, Irie Perera who have all fundraised for the Foundation throughout the year.

We were privileged to be able to hold multiple events throughout the year. This included;

A morning reception with HRH The Duchess of Edinburgh who visited the Royal College of Surgeons to celebrate International Women and Girls in Science Day. The event allowed The Duchess to meet with friends and family of the Foundation, including British science journalist and author, Vivienne Parry OBE and our Scar Free research leads, including Professor Janet Lord CBE. Confirmed guests include pioneering women scientists, female philanthropists who make our work possible and our lived experience voices - the women and girls affected by scarring - who help to inspire our mission.

An evening reception, sponsored and hosted by the Ministry of Defence was also held to highlight the incredible work that is taking place at our Centre of Conflict Wound Research. On the night speakers included Major General Timothy Hodgetts - Head Army Medical Services, Scar Free research leads including Professor Janet Lord CBE, and members of the CASEVAC Club who actively participate in studies conducted within the Centre. Chair of the Armed Forces Covenant Fund, Helen Helliwell, was compere for the evening plus special guests including the Minister of Veteran Affairs the Rt Hon Johnny Mercer MP and the Minister for Defence People, Veterans and Service Families the Rt Hon Dr Andrew Murrison MP.

In October, we also hosted, our Annual Ambassador and Update Event at The Royal College of Surgeons. The Ambassador Event provided an opportunity for those with a lived experience of scarring to convene and discuss the challenges they face. This year's event also involved the Foundation's scientists, clinicians and researchers, where round-table discussions provided Ambassadors with an overview of our research and helped develop a sense of shared endeavour around research priorities and the important work that is being carried out.

The Annual Update Event, hosted by Trustee and Ambassador Hemani Modasia-Shah, included presentations from Dr Richard Moakes who works on the DeSCAR project, Oscar Pena Cabello who is researching scarring genes under Professor Paul Martin, and an inspiring speech from Ambassadors Sophie Dix and Delilah Care. Also at the event we filmed short videos to post engaging content across our social platforms to enable us to reach out beyond our stakeholders and supporters to help people understand the problems with scarring and the importance of funding our research.

We knew this would be a challenging year from a fundraising perspective, and we increased our efforts in presenting a compelling case for our unique cause, through the redeveloped strategy. The year ahead is therefore critical to maintain the momentum built over the last 24 years, and to service the ambitious research strategy that leads to a world without scarring. We remain confident that we will catalyse opportunities to engage with donors and supporters over the coming year through our strengthened Research Strategy, our committed staff and our dedicated and supported volunteer fundraisers and Ambassadors.

In 2022/23 we grew our social media presence, thanks to the help of our Ambassadors, our Principal Member Organisations and the advice from Barley Communications – our Communications consultants. We have been able to highlight the problems people face when living with scarring and the research we are funding to aid our mission to a wider audience beyond our traditional supporters. Notably, in March 2023 one of our TikTok videos conveying an Ambassador's story received engagement from over 10million people within a few weeks. We are confident that our important message of a world without scarring is reaching new and ever wider audiences.

We are very grateful to our Patron, HRH The Duchess of Edinburgh, for her constant support for our work. We were humbled to celebrate International Women and Girls in Science with HRH and grateful to the exposure her patronage provides us.

The Scar Free Foundation is registered with the Fundraising Regulator and subscribes to the Code of Fundraising Practice. During the year, no relationships were held with any commercial participators. Mr Kane Moore and Mrs Karla Conway, both former Foundation employees and now fundraising consultants, were engaged during the year to support our fundraising activity. Due diligence ensured that no conflict of interest existed that might impact this professional relationship and a written agreement was entered into between the Foundation and Mr Moore/Mrs Conway as prescribed by law. During the year, Mr Moore and Mrs Conway supported the fundraising function by providing advice but were not involved in soliciting or otherwise procuring any gifts directly from donors. In adopting best practice as laid out by the Fundraising Regulator, Trustees, staff, Mr Moore and Mrs Conway are sensitive to the issues of fundraising from people in vulnerable circumstances. Our core fundraising strategy, built on one-to-one, peer-driven personal approaches, lends itself to the identification and appropriate management of such issues.

Fundraising performance

Fundraised income for the year totalled £1,196,968 (£1,041,431 in 2022). Our Fundraising model continues to deliver to plan, with £327,611 (£351,688 in the previous year) expended on fundraising.

Principal Patrons

We would like to thank our Principal Patrons; surgeons and clinicians who so generously support our work through an ongoing annual gift. A Principal Patron's commitment is so very important, underpinning the vital work that we do. During the year, we were fortunate to benefit from the support of the following:

- Ms Angelica Kavouni & Mr Lucian Ion
- Professor Vivien Lees
- Mr Nigel Mercer
- Professor Jonathan Sandy.

Volunteer help

The Scar Free Foundation relies on the help of volunteers in all aspects of its activities. This support is provided principally by members of the Board of Trustees, the Research Council and Research Advisory Panels who all give their time freely. We are also very grateful to our Scar Free Ambassadors, volunteers with lived experience of scarring, who help communicate the Scar Free ambition and ensure that a patient perspective is at the heart of our research; their stories convey more powerfully than anything else, the need for more research and activity in this area. We are grateful to all Ambassadors who give their time, honesty, understanding and support to attend events, workshops, meetings and promotion through our social media platforms. We would like to provide a special mention to our Young Ambassadors – Delilah Care for her incredibly inspiring speech at our Update Event and Elizabeth Soffe whose insistence for us all to be kind and her determination for her voice to be heard; makes us proud to call them both an Ambassador.

Finally, we are grateful to the CASEVAC Club of injured veterans from recent conflicts in Iraq and Afghanistan, and its co-founders David Wiseman and Dave Henson MBE for partnering with the Foundation on the Centre for Conflict Wound Research and our wider ambitions in this area. Ambassador Karl Hinett, also a CASVEAC Club Member has gone beyond the call of duty this year, allowing his story to be shared via Virtual Reality Video, on the BBC, has raised money by taking part in gruelling marathons and presented at events on behalf of the Centre of Conflict Wound Research.

PLANS FOR FUTURE PERIODS

The pursuit of scar free healing through the implementation of our refreshed Scar Free Strategy remains our central goal. We believe that we can relate the Scar Free narrative even more compellingly in order to engage a new cohort of donors, researchers and people living with scarring, to partner with us in this life changing mission.

Looking forward, in the financial year 2023/24, the research programmes we develop will be focused on three updated objectives; subject to the availability of funds, we will work to:

- Identify the biological pathways which lead to scarring.
- Change these pathways to prevent or improve scarring.
- Support people living with scars.

In collaboration with clinicians, scientists and people with a lived experience of scarring, we have developed a research funding plan with which we will deliver our ambitious Scar Free Research Strategy. The plan encompasses a bold programme of scientific, clinical and psychological research which addresses patient relevant research for people encountering or living with scarring today, along with scientific endeavour which will deliver scar free healing for future generations.

In the year ahead we will support existing work and, subject to the availability of funds, launch funding calls to address our new research endeavours.

Embed our refreshed Case for Support – informed by our re-presented Scar Free Research Strategy, we will also present a new fundraising Case for Support that will be the cornerstone in our building of new donor networks. We will work hard during the year to identify new and fully engaged volunteer leadership to drive our refreshed fundraising activities.

The lived experience voice lies at the heart of our work – the impact of our work is only measured by the benefits we can deliver, through new treatments and understandings, to people who encounter and live with scarring conditions. We will continue to invest more time and resource to ensure that the voices and experiences of those with scars are felt at every level and in every aspect of the charity’s work, across our social platforms, research projects and governance structures.

The Charity Governance Code has been adopted by the Foundation and the Code’s principles are regularly revisited by the Chief Executive and the Board.

FINANCIAL REVIEW

During the year, our spend on research decreased due to the completion of research projects from a spend of £1,513,541 in 2021/22 to £1,281,414 in 2022/23.

A review of the schedule comparing commitments against available restricted and designated funds is reviewed every year by our auditors Buzzacott. The latest review conducted in May 2023 confirmed the Foundation’s position that all commitments are adequately provided for.

We end the year carrying forward reserves that both match our stated policy to provide sufficient, but not excessive, core funding, and the reassurance that all research commitments can be fully funded through existing restricted and designated funds.

RESERVES POLICY

The Scar Free Foundation has restricted funds which have been, and will be, generated through fundraising. Depending on the specified restriction, these will be either used to generate further funding to establish and maintain our major research programmes or used directly on particular research projects.

We continue to retain sufficient unrestricted funds to meet on-going core costs. The aim is to maintain sufficient unrestricted reserves to cover core costs for a 12-month period and to meet redundancy costs should the Foundation ever have to be closed down.

Unrestricted reserves at the end of March 2023 were £938,557 (£838,797 2021/22) of which £707,408 was in the general funds and constitutes free reserves. The core-costs for 2023/24 are forecast to be approximately £580,000. The free reserves are therefore in line with the target set out above. The team are not complacent and are keen to push forward with a strong fundraising strategy.

INVESTMENT POLICY

Investments are managed by Sarasin Partners LLP, our investment manager and adviser, through their Alpha range of Common Investment Funds.

The Trustees have established an overall investment policy, which involves the Foundation’s available funds being categorised in one of two ways, for each of which there is an appropriate investment policy, namely:

Short term - in this category are funds which are budgeted for spending within a two-year period. These will be held in appropriate bank accounts, term deposits or liquidity funds, with the maturity of the deposits being managed to match both the liabilities and maximise the interest earned on them.

Medium and long term – Most of the funds in this category are not required within five years, but some of which will be spent between two and five years from 31 March 2023. They are invested in both longer term deposit accounts and in the Alpha Common Investment Fund for Endowments. This fund seeks long-term capital and income growth from a broadly diversified portfolio, of which 70% would normally be in shares with the balance in bonds, cash, property and alternative assets.

The use of Common Investment Funds enables the Foundation to access asset classes which might otherwise be closed to it and to achieve appropriate diversification and a broad spread of risk. These Common Investment Funds are charities in their own right, pooling the funds of other charities with these similar objectives.

The Alpha funds will make substantial asset allocation changes when necessary to protect capital, reduce volatility and enhance long-term returns. The selection of individual shareholdings is guided by a global, thematic research process which incorporates an ethical screening process. The Trustees regularly review with Sarasin & Partners the Foundation's Investment Policy and the performance of these funds and make any appropriate changes in light of the Foundation's development, changes in markets or any other relevant factors.

Our investments decreased in value by 32% over the financial year 2022/23. During the year we transferred funds from out of investments and consequently the total investments decreased. We remain vigilant to a potential volatile market that the war in Ukraine and fall out from the pandemic may create and mindful that the funds in Sarasin's are long term investments.

RISK ASSESSMENT

The Board maintains a risk assessment system which is based on a numerical assessment of risk, with an accompanying management commentary, and Trustees consider these reports each quarter. The aim is to highlight and measure potential risks to the success of an activity or process, assess the impact and put in place appropriate management action.

Accordingly, we can confirm that the major risks to which the Foundation is exposed have been reviewed and actions are in place to mitigate those risks.

Current risks of greatest concern (i.e. the risks with greatest combined 'impact' and 'likelihood' score in the Trustees' quarterly risk assessment exercise) include:

1. **Fundraising Issues: Delay in building a high-net-wealth networking infrastructure** - Efforts to expand income sources through the development of the Case for Support and in-person donor events are paramount.

2. **Financial Issues: Income/expenditure imbalance threatens 'going concern' status of charity** – We maintain a prudent level of reserves, reviewed quarterly. Control costs and maximise income.
3. **Management Issues: Unplanned loss of senior staff and delay in recruiting staff** – We will maintain active succession planning and recruitment oversight.

RESPONSIBILITIES OF THE TRUSTEES

The Trustees are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and regulations.

Company Law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with UK Generally Accepted Accounting Practice (UK Accounting Standards and applicable law). Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of the affairs of the charitable company and the income or expenditure of the charitable company for that period.

In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently.
- Observe the methods and principles in Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS 102).
- Make judgements and estimates that are reasonable and prudent.
- State whether applicable UK Accounting Standards (United Kingdom Generally Accepted Accounting Practice) have been followed, subject to any material departures disclosed and explained in the financial statements.
- Prepare the financial statements on the “going concern” basis unless it is inappropriate to assume that the company will continue in operation.

The Trustees are responsible for keeping proper accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions.

Each of the Trustees confirms that to the best of his/her knowledge there is no information relevant to the audit of which the auditors are unaware. Each of the Trustees also confirms that he/she

has taken all necessary steps to ensure that he/she is aware of all relevant audit information and that this information has been communicated to the auditors.

The Trustees

Trustees, who are also Directors under company law, who served during the year and up to the date of this report were as follows:

Professor Sir Bruce Keogh (Chairman)
Mr David Allen (*retiring on 18 July 2023*)
Mr Simon Boadle (*retired 7 February 2023*)
Mr Richard Collier (Honorary Treasurer)
Ms Alison Clarke
Ms Hemani Modasia-Shah
Lt Gen Richard Nugee (*retired 15 April 2023*)
Mr Tim Streatfeild
Mrs Alexandra Thrower
Professor Peter Weissberg (Research Council Chairman)

Members of the charitable company guarantee to contribute an amount not exceeding £1 to the assets of the charitable company in the event of winding up. The total number of such guarantees at 31 March 2023 was £6 (2022 – £6). The Trustees have no beneficial interest in the charitable company.

Approved by the Trustees on 18 July 2023 and signed on their behalf by

A handwritten signature in dark ink, appearing to read 'Bruce Keogh', with a long horizontal stroke extending to the right.

Professor Sir Bruce Keogh
Chairman

Independent auditor's report to the members of The Scar Free Foundation

Opinion

We have audited the financial statements of The Scar Free Foundation (the 'charitable company') for the year ended 31 March 2023 which comprise the statement of financial activities, the balance sheet, and statement of cash flows, the principal accounting policies and the notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- ◆ give a true and fair view of the state of the charitable company's affairs as at 31 March 2023 and of its income and expenditure for the year then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ◆ have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for

the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- ◆ the information given in the trustees' report, which is also the directors' report for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ◆ the trustees' report, which is also the directors' report for the purposes of company law, has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- ◆ adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- ◆ the financial statements are not in agreement with the accounting records and returns; or
- ◆ certain disclosures of trustees' remuneration specified by law are not made; or
- ◆ we have not received all the information and explanations we require for our audit; or
- ◆ the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- ◆ the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- ◆ we identified the laws and regulations applicable to the charitable company through discussions with management, and from our commercial knowledge and experience of the sector;
- ◆ the identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit;
- ◆ We focused on specific laws and regulations which we considered may have a direct material effect on the accounts or the activities of the charity. These included but

were not limited to the Charities Act 2011, Companies Act 2006, and data protection legislation; and

- ◆ we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management, inspecting legal correspondence and reviewing trustee meeting minutes.

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- ◆ making enquiries of management and those charged with governance as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- ◆ considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- ◆ performed analytical procedures to identify any unusual or unexpected relationships;
- ◆ tested journal entries to identify unusual transactions;
- ◆ tested the authorisation of expenditure as part of our substantive testing thereon;
- ◆ assessed whether judgements and assumptions made in determining the accounting estimates set out in the accounting policies were indicative of potential bias; and
- ◆ used data analytics to identify any significant or unusual transactions and identify the rationale for them.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- ◆ agreeing financial statement disclosures to underlying supporting documentation;
- ◆ reading the minutes of trustee meetings;
- ◆ enquiring of management and those charged with governance as to actual and potential litigation and claims; and
- ◆ reviewing any available correspondence with HMRC and the Charity Commission.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures

required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Katharine Patel (Senior Statutory Auditor)
For and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

[Date]

10 August 2023

The Scar Free Foundation

Statement of financial activities *(incorporating an income and expenditure account)*

For the year ended 31 March 2023

	Note	Restricted £	Unrestricted £	2023 Total £	Restricted £	Unrestricted £	2022 Total £
Income							
Donations and legacies	2	802,695	394,273	1,196,968	801,968	239,463	1,041,431
Investments	3	-	55,772	55,772	-	49,206	49,206
Total income		802,695	450,045	1,252,740	801,968	288,669	1,090,637
Expenditure	4						
Costs of raising funds		-	327,611	327,611	-	351,688	351,688
Expenditure on charitable activities							
Research programmes		1,042,321	-	1,042,321	1,262,167	-	1,262,167
Research development		-	240,778	240,778	-	251,374	251,374
Total expenditure		1,042,321	568,389	1,610,710	1,262,167	603,062	1,865,229
Net expenditure before (losses) / gain son investments	5	(239,626)	(118,344)	(357,970)	(460,199)	(314,393)	(774,592)
Net (losses) / gains on investments	9	-	(48,085)	(48,085)	-	23,844	23,844
Transfers	13	(266,189)	266,189	-	(124,199)	124,199	-
Net income (expenditure) and net movement in funds		(505,815)	99,760	(406,055)	(584,398)	(166,350)	(750,748)
Reconciliation of funds:							
Funds brought forward		<u>2,764,473</u>	<u>838,797</u>	<u>3,603,270</u>	<u>3,348,871</u>	<u>1,005,147</u>	<u>4,354,018</u>
Funds carried forward		2,258,658	938,557	3,197,215	2,764,473	838,797	3,603,270

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above.

The Scar Free Foundation

Balance Sheet

For the year ended 31 March 2023

	Note	2023 £	2023 £	2022 £
Fixed assets				
Tangible fixed assets	8		1,166	2,214
Investments	9		<u>611,589</u>	<u>901,357</u>
			612,755	903,571
Current assets				
Debtors	10	390,480		1,084
Short - Medium term deposits		2,275,210		2,751,406
Cash at bank and in hand		<u>245,751</u>		<u>412,665</u>
		2,911,441		3,165,155
Liabilities				
Creditors: amounts falling due within one year	11	<u>(326,981)</u>		<u>(465,456)</u>
Net current assets			<u>2,584,460</u>	<u>2,699,699</u>
Net assets	12		<u><u>3,197,215</u></u>	<u><u>3,603,270</u></u>
The funds of the charity:				
Restricted funds			2,258,658	2,764,473
Unrestricted funds				
Designated funds		231,149		186,199
General funds		<u>707,408</u>		<u>652,598</u>
			<u>938,557</u>	<u>838,797</u>
Total funds	13		<u><u>3,197,215</u></u>	<u><u>3,603,270</u></u>

Approved by the Trustees on 18 July 2023 and signed on their behalf by



Professor Sir Bruce Keogh

Company Registration Number 03831398 (England and Wales)

The Scar Free Foundation

Statement of Cash Flows

For the year ended 31 March 2023

	Note	2023 £	2022 £
Cash flow from operating activities:			
Net cash (used in) provided by operating activities	A	<u>(940,565)</u>	<u>(818,999)</u>
Cash inflow from investing activities:			
Dividends and interest from investments		55,772	49,206
Purchase of tangible fixed assets		-	(3,140)
Sale of investments		241,683	198,654
Net cash provided by investing activities		<u>297,455</u>	<u>244,720</u>
Change in cash and cash equivalents in the year		(643,110)	(574,279)
Cash and cash equivalents at 1 April 2022	B	3,164,071	3,738,350
Cash and cash equivalents at 31 March 2023	B	<u>2,520,961</u>	<u>3,164,071</u>

Notes to the statement of cash flows for the year to 31 March 2023

A Reconciliation of net movement in funds to net cash provided by operating activities

	2023 £	2022 £
Net movement in funds (as per the statement of financial activities)	(406,055)	(750,748)
Adjustments for:		
Depreciation charge	1,048	2,487
Losses (gains) on investments	48,085	(23,844)
Dividends and interest from investments	(55,772)	(49,206)
Increase in debtors	(389,396)	3,226
(Decrease) increase in creditors	(138,475)	(914)
Net cash (used in) provided by operating activities	<u>(940,565)</u>	<u>(818,999)</u>

B Analysis of cash and cash equivalents

	2023 £	2022 £
Cash at bank and in hand	245,751	412,665
Notice deposits (3 - 12 months)	2,275,210	2,751,406
Total cash and cash equivalents	<u>2,520,961</u>	<u>3,164,071</u>

Notes to the financial statements

For the year ended 31 March 2023

1. Accounting policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the accounts are laid out below.

a) Basis of preparation

These accounts have been prepared for the year to 31 March 2023.

The accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these accounts.

The accounts have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) (Charities SORP FRS 102) issued in October 2019, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The charity constitutes a public benefit entity as defined by FRS 102.

The accounts are presented in sterling and are rounded to the nearest pound.

b) Critical accounting estimates and areas of judgement

Preparation of the accounts requires the Trustees and management to make significant judgements and estimates.

The items in the accounts where these judgements and estimates have been made include:

- “ the allocation of staff and support costs;
- “ estimating the useful economic life of tangible fixed assets.

c) Assessment of going concern

The Trustees have assessed whether the use of the going concern assumption is appropriate in preparing these accounts. The Trustees have made this assessment in respect to a period of one year from the date of approval of these accounts.

The Trustees of the charity have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The Trustees are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due. The most significant areas of judgement that affect items in the accounts are detailed above.

With regard to the next accounting period, the year ending 31 March 2024, Trustees believe that the charity is a going concern on the basis detailed within the Trustees' report. The most significant areas that affect the carrying value of the assets held by the charity are the level of investment return and the performance of the investment markets (see the investment policy and the risk management sections of the Trustees' report for more information).

d) Income recognition

Income is recognised in the period in which the charity has entitlement to the income, the amount of income can be measured reliably and it is probable that the income will be received.

Voluntary income is received by the way of donations and gifts and is included in full in the Statement of Financial Activities when receivable. Intangible income and gifts in kind are not included unless they represent goods or services which would have otherwise been purchased, in which case they are valued and brought in as income and the appropriate expenditure.

Revenue grants are credited to the Statement of Financial Activities when received or receivable whichever is earlier, unless they relate to a specific period, in which case they are deferred.

The Scar Free Foundation

Notes to the financial statements

For the year ended 31 March 2023

1. Accounting policies (continued)

d) Income recognition (continued)

Where unconditional entitlement to grants receivable is dependent upon fulfilment of conditions within the Charity's control, the incoming resources are recognised when there is sufficient evidence that conditions will be met. Where there is uncertainty as to whether the Charity can meet such conditions the incoming resource is deferred.

Grants for the purchase of fixed assets are credited to restricted income when receivable. Depreciation of fixed assets purchased with such grants is charged against the restricted funds.

Interest on term deposits is recognised on an accruals basis, so that the appropriate proportion is included in each year's financial statements.

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

In accordance with the Charities SORP FRS 102 volunteer time is not recognised.

e) Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to make a payment to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

Expenditure is accounted for on an accruals basis. Expenditure includes attributable VAT that cannot be recovered.

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the costs of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, are apportioned between activities as described in note 4.

The costs of generating funds relate to the costs incurred by the charity in raising funds for the charitable work.

Expenditure on charitable activities includes all costs associated with furthering the charitable purposes of the charity through the provision of its charitable activities.

Grants payable are charged to the Statement of Financial Activities in the year in which the offer is conveyed to the recipient, except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

Governance costs include the management of the charity's assets, organisational management and compliance with constitutional and statutory requirements.

f) Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £500. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities.

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost of each asset over its expected useful life. The depreciation rates in use are as follows:

Leasehold Improvements :	Over the life of the lease
Computer Equipment :	3 years
Office Furniture and Equipment :	3 years

Notes to the financial statements

For the year ended 31 March 2023

1. Accounting policies (continued)

g) Debtors

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

h) Cash at bank and in hand

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition. Deposits for more than three months but less than one year have been disclosed as short term deposits. Cash placed on deposit for more than one year is disclosed as a fixed asset investment.

i) Creditors and provisions

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the charity anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

j) Operating leases

Rentals payable under operating leases, where substantially all the risks and rewards of ownership remain with the lessor, are charged to the Statement of Financial Activities in the year in which they fall due.

k) Pension contributions

The charitable company makes contributions on behalf of its employees into their personal pension funds. The amounts charged in the Statement of Financial Activities represent the contributions payable to the funds in respect of the accounting period. Outstanding pension contributions at the year end are included in creditors.

l) Fixed asset investments

Listed investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price.

The charity does not acquire put options, derivatives or other complex financial instruments.

Realised gains (or losses) on investment assets are calculated as the difference between disposal proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value at that date. Realised and unrealised investment gains (or losses) are combined in the statement of financial activities and are credited (or debited) in the year in which they arise.

m) Fund structure

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure, which meets these criteria are charged to the fund together with a fair allocation of management and support costs.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

Designated funds are unrestricted funds earmarked by the Trustees for particular purposes.

Transfers are made from unrestricted funds to establish designated funds, which are in turn used to cover the cost of Research Projects. These designations are agreed annually by the Board of Trustees. Transfers are made from designated funds to restricted funds where restricted funding is not sufficient to cover a particular project, or if it is unclear as to how much will be required for a project. Transfers from restricted funds to unrestricted funds are made with the prior consent of the donor.

The Scar Free Foundation

Notes to the financial statements

For the year ended 31 March 2023

2a Donations and grants - unrestricted

	2023 £	2022 £
Anonymous	375,000	125,000
The Dorus Trust	4,000	4,000
Karl Hinett	3,375	-
Angelica Kavoni & Lucian Ion	2,500	2,500
Nigel Mercer	1,200	1,200
Professor Jonathan Sandy	1,200	1,200
Professor Vivien Lees	1,000	1,000
The Stephen Forrest Charitable Trust	-	65,200
PF Charitable Trust	-	40,000
EACTS Charity - Fellowship	-	15,000
Lt Gen Richard Nugee	-	10,758
Charles and Rowena Wilson	-	10,000
Professor Naiem Moiemem	-	10,000
Irie Perera	-	1,214
The Worshipful Company of Tin Plate Workers alias Wire Workers	-	1,000
Returned VTCT Foundation Donation (from 2018)		(60,000)
Gift Aid Claims	2,380	6,543
Sundry Donations	3,618	4,848
Total	<u>394,273</u>	<u>239,463</u>

The Scar Free Foundation

Notes to the financial statements

For the year ended 31 March 2023

2b Donations and grants - restricted

	2023 £	2022 £
The Medical Research Charity	504,401	292,063
CHEAR Foundation	150,000	150,000
VTCT Foundation	70,000	100,000
Health and Care Research Wales	50,000	50,000
The Hobson Charitable Trust	10,000	-
Lady Jenny Rose	9,994	10,910
The Holbeck Charitable Trust	4,000	2,500
Andrew Robson	2,500	2,500
BAPRAS	600	-
BBA	600	-
BSSH	600	-
Clore Duffield Foundation	-	43,611
The Armed Forces Covenant Fund Trust	-	35,000
Donations via The Big Give	-	30,021
The J P Moulton Foundation	-	30,000
Veterans Foundation	-	30,000
Headley Court Charity	-	20,000
The Worshipful Company of Tin Plate Workers alias Wire Workers	-	4,363
GJW Turner Trust	-	1,000
Total	<u>802,695</u>	<u>801,968</u>

3. Investment income

	Restricted £	Unrestricted £	2023 Total £	Restricted £	Unrestricted £	2022 Total £
Income from listed investments	-	20,925	20,925	-	25,665	25,665
Interest receivable	-	34,847	34,847	-	23,541	23,541
Total	<u>-</u>	<u>55,772</u>	<u>55,772</u>	<u>-</u>	<u>49,206</u>	<u>49,206</u>

4. Total expenditure

	Costs of raising funds Unrestricted	Research Grants Restricted	Research Development Unrestricted	Support Costs	Governance	2023 Total
	£	£	£	£	£	£
Staff Costs (Note 6)	109,662	-	106,529	97,129	-	313,320
Other Staff Costs	2,784	-	2,704	2,464	-	7,952
Rent	13,696	-	13,696	11,589	-	38,981
Computer and other office costs	15,814	-	15,813	13,380	-	45,007
Consultancy	9,773	-	11,457	8,269	-	29,499
Audit and Accountancy Fees	-	-	-	-	11,913	11,913
Staff Travel	117	-	117	99	-	333
Trustees' Travel Expenses	84	-	84	71	-	239
Depreciation	368	-	368	312	-	1,048
Appeal Costs	101,540	-	-	-	-	101,540
Insurance	-	-	-	-	2,318	2,318
Research Programmes	-	-	-	-	-	-
- Bristol Programme	-	220,240	-	-	-	220,240
- The Cleft Collective	-	147,052	-	-	-	147,052
- Centre for Conflict Wound	-	211,287	-	-	-	211,287
- Regenerative Research	-	342,396	-	-	-	342,396
- BSSH	-	34,455	-	-	-	34,455
- UK Burns Research Network	-	83,291	-	-	-	83,291
- Support Projects	-	3,600	-	-	-	3,600
- PPI	-	-	2,167	-	-	2,167
Research Support costs	-	-	14,071	-	-	14,071
Total expenditure	253,839	1,042,321	167,006	133,314	14,231	1,610,710
Support Costs	66,657	-	66,657	(133,314)	-	-
Governance costs	7,115	-	7,115	-	(14,231)	-
2023 total expenditure	327,611	1,042,321	240,778	-	-	1,610,710

Support costs and governance costs have been allocated to each activity on the basis of staff time being 50% to costs of raising funds and 50% to research management and development.

4. Total expenditure

	Costs of raising funds Unrestricted	Research Grants Restricted	Research Development Unrestricted	Support Costs	Governance	2022 Total
	£	£	£	£	£	£
Staff Costs (Note 6)	120,812	-	117,360	107,005	-	345,177
Other Staff Costs	3,302	-	3,207	2,923	-	9,432
Rent	18,837	-	11,551	9,774	-	40,162
Computer and other office costs	26,014	-	15,952	13,498	-	55,464
Consultancy	1,285	-	788	667	-	2,740
Legal Fees	-	-	-	4,913	-	4,913
Audit and Accountancy Fees	-	-	-	-	12,288	12,288
Staff Travel	415	-	255	216	-	886
Trustees' Travel Expenses	109	-	67	56	-	232
Depreciation	1,166	-	715	605	-	2,486
Recruitment	3,702	-	2,270	1,921	-	7,893
Appeal Costs	79,061	-	-	-	-	79,061
Insurance	-	-	-	-	2,590	2,590
Research Programmes						
- Bristol Programme	-	157,044	-	-	-	157,044
- The Cleft Colletive	-	182,758	-	-	-	182,758
- Centre for Conflict Wound	-	582,993	-	-	-	582,993
- Regenerative Research	-	158,527	-	-	-	158,527
- BSSH	-	45,642	-	-	-	45,642
- UK Burns Research Network	-	135,203	-	-	-	135,203
Research Support costs	-	-	39,738	-	-	39,738
Total expenditure	254,703	1,262,167	191,903	141,578	14,878	1,865,229
Support Costs	87,762	-	53,816	(141,578)	-	-
Governance costs	9,223	-	5,655	-	(14,878)	-
2022 total expenditure	351,688	1,262,167	251,374	-	-	1,865,229

Support costs and governance costs have been allocated to each activity on the basis of staff time being 62% to costs of raising funds and 38% to research development.

The Scar Free Foundation

Notes to the financial statements

For the year ended 31 March 2023

5. Net expenditure for the year before losses (gains) on investments

This is stated after charging:

	2023 £	2022 £
Depreciation	1,048	2,487
Trustees' remuneration	Nil	Nil
Trustees' expenses	238	232
Auditors' remuneration:		
Audit	9,500	9,500
Operating lease rentals:		
Property	38,981	40,162

Trustees' expenses represent that 2 Trustees were reimbursed for travel costs (2022 : 2).

6. Staff costs and numbers

Staff costs were as follows:

	2023 £	2022 £
Salaries and wages	254,286	284,527
National Insurance costs	27,170	25,442
Pension contributions	31,865	35,207
	<u>313,321</u>	<u>345,176</u>

The number of employees whose emoluments exceed £60,000 are:

	2023	2022
£60,000 - £70,000	1	1
£70,000 - £80,000	1	
£120,000 - £130,000	1	1

Employer's pension contributions of £17,872 (2021 : £17,575 to one employee) were made in respect of the highest paid employee.

The full-time equivalent of employees during the year was as follows:

	2023 No.	2022 No.
Fundraising and Communications	1.3	2.1
Research Management / Development	1.3	1.3
Support & Governance Costs	1.1	1.1
	<u>3.7</u>	<u>4.5</u>

The Scar Free Foundation

Notes to the financial statements

For the year ended 31 March 2023

6. Staff costs and numbers (continued)

The average number of employees (headcount) during the year was 4 (2022 - 5).

The key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day to day basis has increased to now comprise of the Trustees together with the Chief Executive, Head of Finance & Operations and (as of 2022/23) Head of Research Funds. The total remuneration (including taxable benefits and employers pension contributions) of the key management personnel for the year was £292,233 (2022 : £210,583).

7. Taxation

The charitable company is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

8. Tangible fixed assets

	Computer equipment and furniture £
Cost	
At the start of the year	20,965
Additions in year	-
Disposals in year	(4,649)
At the end of the year	<u>16,316</u>
Depreciation	
At the start of the year	18,751
Charge for the year	1,048
Disposals in year	(4,649)
At the end of the year	<u>15,150</u>
Net book value	
At the end of the year	<u><u>1,166</u></u>
At the start of the year	<u><u>2,214</u></u>

The Scar Free Foundation

Notes to the financial statements

For the year ended 31 March 2023

9. Investments

	2023 £	2022 £
Market value at the start of the year	901,357	1,076,167
Transfers in	9,764	10,910
Additions at cost	9,994	10,423
Disposals (Proceeds: £261,440 + Realised Loss: £9,764)	(271,205)	(214,775)
Unrealised (losses) / gains	(38,321)	18,632
	<u>(309,526)</u>	<u>(196,143)</u>
Market value at the end of the year	<u>611,589</u>	<u>901,357</u>
Cost at the year end	<u>446,669</u>	<u>616,152</u>
Investments comprise: Sarasin Alpha CIF for Endowments	611,589	901,357

10. Debtors

	2023 £	2022 £
Grant Recievables	389,598	-
Prepayments	882	1,084
	<u>390,480</u>	<u>1,084</u>

11. Creditors: amounts due within 1 year

	2023 £	2022 £
Trade Creditors	27,140	-
Accruals	299,841	465,456
	<u>326,981</u>	<u>465,456</u>

The Scar Free Foundation

Notes to the financial statements

For the year ended 31 March 2023

12. Analysis of net assets between funds 2023

	Restricted funds £	Designated funds £	General funds £	2023 Total funds £
Tangible fixed assets	-	-	1,166	1,166
Investments	611,589	-	-	611,589
Net current assets	1,647,069	231,149	706,242	2,584,460
Net assets at the end of the year	<u>2,258,658</u>	<u>231,149</u>	<u>707,408</u>	<u>3,197,215</u>

Analysis of net assets between funds 2022

	Restricted funds £	Designated funds £	General funds £	2022 Total funds £
Tangible fixed assets	-	-	2,214	2,214
Investments	901,357	-	-	901,357
Net current assets	1,863,116	186,199	650,384	2,699,699
Net assets at the end of the year	<u>2,764,473</u>	<u>186,199</u>	<u>652,598</u>	<u>3,603,270</u>

The total unrealised gains at 31 March 2023 constitutes movements on revaluation and are as follows:

	2023 £	2022 £
Unrealised gains included above:		
On investments	<u>164,920</u>	<u>285,205</u>
Total unrealised gains at 31 March 2023	<u>164,920</u>	<u>285,205</u>

Reconciliation of movements in unrealised gains (losses)

Unrealised gains at 1 April 2022	285,205	328,825
Gain: in respect to disposals in the year	<u>(81,964)</u>	<u>(62,252)</u>
	203,241	266,573
Add: net (losses) gains arising on revaluation arising in the year	<u>(38,321)</u>	<u>18,632</u>
Total unrealised gains at 31 March 2023	<u>164,920</u>	<u>285,205</u>

The Scar Free Foundation

Notes to the financial statements

For the year ended 31 March 2023

13. Movements in funds to 31 March 2023

	At the start of the year £	Income £	Expenditure £	Gains on investments & Transfers £	2023 At the end of the year £
Restricted funds:					
Bristol Programme	779,734	360,240	(220,240)	-	919,734
Scar Free Projects	1	-	-	(1)	-
The Cleft Collective	217,739	2,500	(147,052)	-	73,187
Centre for Conflict Wound Research	775,320	89,398	(211,287)	(267,988)	385,443
BSSH Clinical Academic Post	96,106	-	(34,455)	-	61,651
UK Burns Research Network	112,495	95,810	(83,291)	-	125,014
Regenerative Research	778,715	252,947	(342,396)	-	689,266
Student Elective Awards	-	1,800.0	(3,600)	1,800	-
Management of Research Projects	4,363	-	-	-	4,363
Total restricted funds	2,764,473	802,695	(1,042,321)	(266,189)	2,258,658
Unrestricted funds:					
<i>Designated funds:</i>					
Centre for Conflict Wound Research	-	-	-	80,000	80,000
Scar Free Projects	-	-	-	15,000	15,000
Bristol Centre	124,199	-	-	(124,199)	-
Regenerative Research	60,000	-	-	74,249	134,249
Student Electives & Other	2,000	-	-	(100)	1,900
<i>Total designated funds</i>	<i>186,199</i>	<i>-</i>	<i>-</i>	<i>44,950</i>	<i>231,149</i>
General funds	652,598	450,045	(568,389)	173,154	707,407
Total unrestricted funds	838,797	450,045	(568,389)	218,104	938,557
Total funds	3,603,270	1,252,740	(1,610,710)	(48,085)	3,197,215

The Scar Free Foundation

Notes to the financial statements

For the year ended 31 March 2023

13. Movements in funds 2022

	At the start of the year £	Income £	Expenditure £	Gains on investments & Transfers £	2022 At the end of the year £
Restricted funds:					
Bristol Programme	786,778	274,199	(157,044)	(124,199)	779,734
Scar Free Projects	1	-	-	-	1
The Cleft Collective	397,997	2,500	(182,757.6)	-	217,739
Centre for Conflict Wound Research	1,071,950	286,363	(582,993)	-	775,320
BSSH Clinical Academic Post	141,748	-	(45,642)	-	96,106
UK Burns Research Network	136,786	115,275	(135,203)	(4,363)	112,495
Regenerative Research	813,611	123,631	(158,527)	-	778,715
Management of Research Projects	-	-	-	4,363	4,363
Total restricted funds	3,348,871	801,968	(1,262,167)	(124,199)	2,764,473
Unrestricted funds:					
Designated funds:					
<i>Centre for Conflict Wound Res</i>	70,000	-	-	(70,000)	-
Scar Free Projects	114,849	-	-	(114,849)	-
Bristol Centre	54,198	-	-	70,001	124,199
Regenerative Research	-	-	-	60,000	60,000
Student Electives & Other	-	-	-	2,000	2,000
Total designated funds	239,047	-	-	(52,848)	186,199
General funds	766,100	288,669	(603,062)	200,891	652,598
Total unrestricted funds	1,005,147	288,669	(603,062)	148,043	838,797
	-	-	-	-	-
Total funds	4,354,018	1,090,637	(1,865,229)	23,844	3,603,270

The Scar Free Foundation

Notes to the financial statements

For the year ended 31 March 2023

13. Movements in funds 2023

Research Projects

During the year, The Scar Free Foundation continued to pursue a number of key research themes. These have been funded as monies become available. The money may be restricted by the donor or where it is not, the Foundation will designate funds to particular projects.

Scar Free Projects

No transactions or movements to note.

The Cleft Collective

Funds held for this major research programme have been contributed by various donors.

The Scar Free Foundation Centre for Conflict Wound Research

The Chancellor using LIBOR funds awarded a grant of £2,995,300 to the Foundation to support The Scar Free Foundation Centre for Conflict Wound Research. Additional funds have been received in since 2019 from The JP Mpulton Foundation, Headley Court Charitable Foundation, The Veterans Foundation, GJW Turner Trust, The Holbeck Charitable Trust and BEIS/DHSC for the early career researchers. This has allowed the transfer of funds due to matched funding.

The Bristol Programme

A total of £1,050,000 (of a £1,500,000 commitment) has been donated by the CHEAR Foundation towards research to be undertaken in pursuit of the Scar Free Strategy. Plus funds from the BEIS/DHSC for the early career researchers.

The BSSH Clinical Academic Post in Hand Surgery Research managed by The Scar Free Foundation

The British Society for Surgery of the Hand contributed a total of £500,000 towards the costs of a major programme of hand surgery research at the University of Nottingham.

The Scar Free Foundation

Notes to the financial statements

For the year ended 31 March 2023

13. Movements in funds 2023 (continued)

The UK Burns Research Network supported by the VTCT Foundation (formerly Scar Free Healing Research)

Some £500,000 (of a maximum £1,000,000 commitment) has been donated by the VTCT Foundation towards funding a Burns Research Network. Plus approx £15,000 from BEIS/DHSC for the early career researchers.

In addition, Lady Jenny Rose has donated just over £30,000 towards burn injury research.

The Scar Free Foundation Programme of Regenerative Research

A total of £900,000 (of a potential £950,000 commitment) has been donated by Health & Care Research Wales (Welsh Government), their funding is currently for a three year commitment, with the potential to be extended for a further year if funds allow. The Foundation will use its best endeavours to raise money for this important research, however if we don't have sufficient funds to further the development of the project then we will withdraw from the project and our commitments and obligations to run the project cease.

In addition a total of £87,222 from the Clore Duffield Foundation has been received, and £202,947 provided by BEIS/DHSC for the early career researchers.

14. Operating lease commitments

The charity had future minimum commitments at 31 March 2023 under operating leases expiring as follows:

	2023 £	2022 £
Payments which fall:		
Within one year	47,119	36,590
Within one to two years	45,968	36,590
Within two to five years	48,161	64,032
	<u>141,248</u>	<u>137,212</u>

15. Related party transactions

During the year the charity did not receive any funds from Trustees. (In 2022 a total of £18,458 was received from Trustees). In addition £150,000 (2022 - £150,000) was received from a Foundation of which a Trustee is also a Trustee.